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ICC Issues Stringent Rules for Retail Electric Suppliers

CHICAGO, IL – By unanimous vote, the Illinois Commerce Commission (ICC) today issued a First Notice Order making significant changes to the marketing rules retail electric suppliers must follow in Illinois.

After electricity prices spiked during the "polar vortex" winter of 2013-2014, the Commission's Consumer Services Division recorded a sharp increase in complaints from the public about the aggressive marketing practices of retail electric suppliers. Today's decision comes after a thorough review of the marketing practices these companies must follow and significantly enhances requirements for consumer protection.

"These new rules will deter retail electric suppliers from using deceptive marketing practices and protect consumers by providing them with clear information necessary to make informed decisions," said Chairman Brien Sheahan. "We thank Commission staff for its work, and the Attorney General and the Citizens Utility Board for their advocacy and assistance in strengthening these rules."

The new rules include the following key provisions:

- Expanded consumer protections through additional marketing controls of sales solicitations. Controls
 will include recorded third party verification of door-to-door sales and require that the salesperson is
 not present during the verification. Telemarketing sales calls and verification calls will be available to
 the ICC to ensure compliance with rules. Retail electric suppliers will also be restricted from using utility
 names and logos.
- Standardized contract content and descriptions, including a "Uniform Disclosure Statement" for all retail
 electric supplier solicitations that will allow consumers to better compare offers and make informed
 decisions. Descriptions of "fixed rate" offers must include only those rates that do not change; rates
 that can change must be called "variable rates." Suppliers are to follow appropriate restrictions when
 marketing "renewable" or "green" energy offers.
- Requirement that retail electric suppliers post their residential offers on the ICC's PlugInIllinois.org
 website. The website will be enhanced and promoted to make consumers better aware of their rights
 and options as they shop the market, which will include comparisons between the rate offered by the
 retail electric supplier and the utility's supply rate.

"These rules ensure a robust competitive market balanced with strong consumer protections," said Cholly Smith, ICC Executive Director. "With today's action, we look forward to entering the public comment period of the rulemaking process."

To view the Commission's First Notice Order and accompanying proposed rule, visit the ICC's eDocket website here.

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About the Illinois Commerce Commission

The Illinois Commerce Commission's mission is to pursue an appropriate balance between the interests of consumers and existing and emerging service providers to ensure the provision of adequate, efficient, reliable, safe and least-cost public utility services. The Commission pursues this mission through three bureaus: The Bureau of External Affairs, which provides educational information on utility issues for consumers, governmental entities and communities and through its Consumer Services Division, resolves customer/utility disputes and develops rules on utility service and consumer protection; the Public Utilities Bureau, which focuses on financial and operational analysis, policy development, public safety and enforcement activities related to electric, natural gas, water, sewer and telecommunications companies; and the Transportation Bureau, which includes trucking insurance and registration, railroad safety, relocation towing, safety towing and household goods moving company enforcement activities. The ICC's five commissioners are appointed by the Governor and approved by the Illinois State Senate for five-year terms.